



RECORDING REQUEST BY:

APR 24, 2008 10:03 AM

City Clerk

WHEN RECORDED MAIL TO:

OFFICIAL RECORDS
 SAN DIEGO COUNTY RECORDER'S OFFICE
 GREGORY J. SMITH, COUNTY RECORDER
 FEES: 0.00

CITY OF CHULA VISTA
 276 Fourth Avenue
 Chula Vista, CA 91910

18
 51P
 NF
 100W

PAGES: 51



Above Space for Recorder's Use

LAND OFFER AGREEMENT

This Land Offer Agreement ("Agreement") is entered into to be effective as of April 17, 2008 2008, by and between Otay Land Company LLC, a Delaware limited liability company ("Owner") and the City of Chula Vista, a political subdivision of the State of California ("City").

RECITALS

A. Owner owns the undeveloped real property located in the City as more particularly described and shown on the attached Exhibit "A" (the "Property")

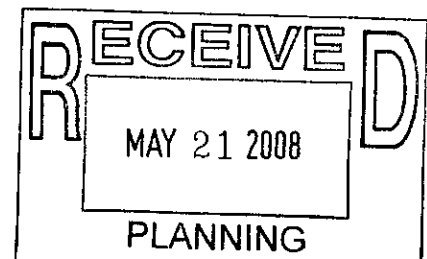
B. The Property is part of a master planned community commonly known as portions of Villages 4, 7, 8, 9 and the Eastern Urban Center of the Otay Ranch Project.

C. City has requested Owner to convey to City fifty (50) acres within the Property designated for the development of a facility for higher education and other compatible land uses as described herein ("University Property") and one hundred sixty (160) acres of open space ("Open Space Property"). The University Property is shown and described on Exhibit "B" and the Open Space Property is shown and described on Exhibit "B-1".

D. Owner desires certain development entitlements for the Property that require processing and discretionary review by the City.

E. Owner and City by entering into this Agreement shall set forth the terms and conditions precedent for Owner's conveyance and City's acceptance of the University Property and the Open Space Property, as well as the process for the City's consideration of certain development entitlements for the Property.

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner and City agree as follows:



ARTICLE 1 DEFINITIONS

1.1 Definitions. This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized, when used in this Agreement. The defined terms include the following:

“Development Agreement” means the Restated and Amended Pre-Annexation Development Agreement between the City and Otay Ranch, L.P. recorded May 12, 1997.

“Effective Date” means the date set forth in the first paragraph of this Agreement.

“Entitlements” means: (i) amendments to the City’s General Plan and the Otay Ranch General Development Plan which establish 6050 as the maximum number of residential units and 1.8 million square feet of commercial uses to be permitted for development, and amendments to the Development Agreement to include only the provisions specifically set forth on Exhibit “C”; (ii) Sectional Planning Area Plans (“SPA Plans”) for the Property designating the permitted land uses, densities and intensities of development, which are in substantial compliance with the Land Use Plan depicted on Exhibit “D”; (iii) tentative subdivision maps to subdivide the Property in accordance with the SPA Plans and related entitlement documents, such as Public Facilities Financing Plans, necessary to implement the SPA Plans, as may be identified in the Processing Agreement; and (iv) appropriate California Environmental Quality Act compliance for the discretionary actions outlined in items (i) and (iii), above.

“Growth Program ” means the City policies and standards intended to regulate the timing and phasing or rate of growth within the City, as set forth in the City’s Growth Management Element of the City’s General Plan in effect as of the Effective Date of this Agreement.

“Hazardous Materials” means any substance, material or waste which is or becomes (1) regulated by any local or regional governmental authority, the State of California or the United States Government as hazardous waste, (ii) defined as a “solid waste”, “sludge”, “hazardous waste”, “extremely hazardous waste”, “restricted hazardous waste”, “Non-RCRA hazardous waste,” “RCRA hazardous waste”, or “recyclable material”, under any federal, state or local statute, regulation or ordinance, including without limitation Sections 25115, 25117, 25117.9, 25120.2, 25120.5, 251227, 25140, 25141 of the California Health and Safety Code; (iii) defined as “Hazardous Substance” under Section 25316 of the California Health and Safety Code; (iv) defined as a “Hazardous Material”, “Hazardous Substance”, or “Hazardous Waste” under Section 25501 of the California Health and Safety Code; (v) defined as a “Hazardous Substance” under Section 25281 of the California Health and Safety Code; (vi) asbestos; (vii) petroleum products, including without limitation, petroleum, gasoline, used oil, crude oil, waste oil and any fraction thereof, natural gas, natural gas liquefied, natural gas or synthetic fuels, (viii) materials defined as hazardous or extremely hazardous pursuant to the California Code of Regulations; (ix) polychlorinated biphenyls;

(x) defined as a “Hazardous Substance” pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1251, *et seq.*); (xi) defined as a “Hazardous Waste” pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.*, (xii) defined as a “Hazardous Substance” or “Mixed Waste” pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601, *et seq.* and regulations promulgated hereunder; (xiii) defined as a “Hazardous Substance” pursuant to Section 401.15 of the Clean Water Act, 40 C.F.R. 116; OR (xiv) defined as an “Extremely Hazardous Substance” pursuant to Section 302 of the Superfund Amendments and Reauthorizations Act of 1986, 42 U.S.C. Section 11002, *et seq.*

“Irrevocable Offer of Dedication/ Offer of Dedication” means the document, substantially in the form attached as Exhibit “E,” allowing for the transfer of ownership of the University Property and Open Space Property to the City in accordance with Government Code Section 7050.

“Open Space Property” means the real property described and shown on Exhibit “B-1” to this Agreement.

“Processing Agreement” means the Project Staffing and Processing Agreement, to be entered into by the City and Owner, in which the timing and processing of the Entitlements will be set forth therein.

“Project” means the development of the Property consistent with the provisions of the Entitlements, applicable City policies and standards including the City Growth Program and Ordinance.

“Property” means the real property described and shown in Exhibit “A” to this Agreement.

“Term” shall mean the period of time from the Effective Date until the termination of this Agreement as set forth in Paragraph 4.3.

“Third Party Litigation” means any claim, action, referendum or proceeding filed and served against the City and/or Owner by anyone not a party to this Agreement or their agents or successors in interest to challenge, set aside, void or annul the approval of this Agreement or the Entitlements, including without limitation, attacks upon California Environmental Quality Act compliance.

“University Property” means the real property described and shown on Exhibit “B” to this Agreement.

ARTICLE 2 OFFER OF DEDICATION

2.1 Offer of Dedication. Concurrently with the execution of this Agreement, Owner shall submit to the City an Irrevocable Offer(s) of Dedication, for the following properties: (i) the University Property to allow for the use of the University Property for higher educational purposes and related compatible uses, active public recreation, quasi public, and all other uses, including residential, industrial and commercial; and (ii) the Open Space Property to allow for the use of said property for open space, mitigation, active recreation and any uses permitted in accordance with the Otay Ranch General Development Plan. The uses set forth for the University Property and the Open Space Property shall be referred to collectively as the ("Permitted Uses"). Notwithstanding the foregoing, in the event the City determines that the University Property or a portion thereof, will be developed for any Permitted Uses other than (i) higher educational uses, including a university campus; (ii) university-related housing (student and/or faculty housing); (iii) a regional technology park or campus intended to attract and promote a university; or (iv) uses ancillary to a university, such as a bookstore, coffee house or copy center, or other accessory land uses commonly associated with higher educational institutions (uses other than those described in subsections (i) through (iv) collectively shall be referred to as "Non-university Development"), Owner shall have the right to repurchase that portion of the University Property proposed for Non-university Development in accordance with the terms and conditions set forth herein ("Repurchase Right"). The Repurchase Right shall take effect upon the City's acceptance of the Irrevocable Offer of Dedication for the University Property and expire upon the earlier to occur of: (i) the expiration of the Development Agreement; or (ii) the occupancy of ninety percent (90%) of the residential units within the Project, as evidenced by final inspection notices ("Repurchase Right Expiration"); unless terminated earlier as to all or a portion of the University Property in accordance with Paragraph 2.3. The Repurchase Right shall be included in the Irrevocable Offer(s) of Dedication recorded concurrently with the recordation of this Agreement and shall be a covenant running with the University Property. City's acceptance of the Irrevocable Offer(s) of Dedication shall be subject to the terms of this Agreement.

2.2 Offer to Purchase. In the event the Repurchase Right is triggered in accordance with Paragraph 2.1, the City shall promptly offer to sell that portion proposed for Non-university Development to Owner ("Offer to Purchase"). The Offer to Purchase shall include the following:

- (i) Purchase Price (fair market value, subject to Paragraph 2.2(iv) below), to be paid in cash.
- (ii) Closing Date, not sooner than 60 days from the date the Purchase Agreement is executed.
- (iii) The Purchase Agreement shall be substantially in the form attached hereto as Exhibit F.

- (iv) If the parties do not agree on the fair market value of that portion of the University Property proposed for Non-university Development, then the fair market value of said property shall be determined by an appraiser acceptable to both parties. If the parties are unable to agree on an appraiser within ten (10) days after the City delivers the Offer to Purchase to Owner ("Delivery Date"), within twenty (20) days after the Delivery Date, each party shall each name an appraiser who is a member of MAI or an equivalent organization and has at least five (5) years experience appraising similar property in the Chula Vista area. If either party fails to appoint such an appraiser within such period, and such failure continues for more than five (5) days following written notice from the other party, the appraiser appointed by the party giving such notice shall proceed to make the appraisal as herein set forth, and the determination thereof shall be conclusive on both parties. The two (2) selected appraisers will each prepare an appraisal report within thirty (30) days after their appointment. If the two (2) appraisers' determination of the fair market value of said property is within ten percent (10%) of each other, then the fair market value of the same will be the arithmetic average of the two (2) appraisals. Otherwise, the two (2) selected appraisers will appoint a third appraiser within ten (10) days after issuance of their appraisal reports, ("Deciding Appraiser") meeting the same qualifications and who has no preexisting material financial or business relationship with either of the appraisers, City or Owner. If the two (2) selected appraisers fail to appoint a Deciding Appraiser within such period, then either party may petition a court of competent jurisdiction to appoint a Deciding Appraiser meeting the qualifications set forth herein, in the same manner as provided for the appointment of an arbitrator pursuant to California Code of Civil Procedure section 1281.6. The Deciding Appraiser may not receive or consider the appraisals prepared by the other two (2) appraisers. The Deciding Appraiser will deliver its report to the parties within thirty (30) days after its appointment and the fair market value of said property will be either: (i) if the fair market value determined by the Deciding Appraiser is between the values determined by the first two (2) appraisers, the arithmetic average of the two (2) appraisals that are closest to each other; or, (ii) if the fair market value determined by the Deciding Appraiser is higher or lower than both of the values determined by the first two (2) appraisers, the fair market value determined by the appraisal of the first two (2) appraisers that is closest to the value determined by the Deciding Appraiser. The parties shall share equally the fees and expenses of the appraisers jointly named, if any, but each party shall be responsible for the fees and expenses of any appraiser named solely by that party. Each party shall bear its own expenses in presenting evidence to the appraisers. The determination of fair market value by the appraiser(s) shall be final and binding on the parties.

NOTICE: BY INITIALING IN THE SPACE BELOW, YOU ARE AGREEING TO HAVE THE DETERMINATION OF THE FAIR MARKET VALUE OF THAT PORTION OF THE UNIVERSITY PROPERTY PROPOSED FOR NON-UNIVERSITY DEVELOPMENT AS PROVIDED IN THIS PARAGRAPH 2.2 (iv) DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS REGARDING THE FAIR MARKET VALUE TO HAVE LITIGATED IN A COURT OR JURY TRIAL. SUCH ARBITRATION WILL NOT APPLY TO ANY OTHER DISPUTES OR MATTERS UNDER THIS AGREEMENT. BY INITIALIZING IN THE SPACE BELOW, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THESE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS PARAGRAPH 2.2 (iv). IF YOU REFUSE TO SUBMIT TO ARBITRATION AS SET FORTH HEREIN AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. YOU HAVE READ AND UNDERSTOOD THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THIS PARAGRAPH 2.2(iv) TO NEUTRAL ARBITRATION.

OWNER'S INITIALS: PTB

CITY'S INITIALS: CC

- 2.3 Repurchase Right. City and Owner agree to negotiate in good faith the Purchase Price contained in the Offer to Purchase, provided however, if City and Owner can not agree on the Purchase Price within twenty (20) days after the City delivers the Offer to Purchase to Owner, the Purchase Price shall be determined in accordance with Paragraph 2.2(iv). Owner shall have ten (10) days from the date Owner is notified of the final determination of fair market value pursuant to Paragraph 2.2(iv) within which to notify the City whether it intends to exercise its Repurchase Right. If Owner declines to exercise the Repurchase Right or fails to timely notify City of its determination, the Repurchase Right shall be terminated as to that portion of the University Property proposed for Non-university Development. In such event, the City shall have a right to proceed with the proposed development or sale at the same or higher price than that set forth in the Offer to Purchase, and equivalent terms. Thereafter, if the City decides to change the price of said property to be less than that set forth in the Offer to Purchase or to change other material terms of the same, City shall provide Owner with a new offer to purchase before offering the University Property to any other prospective purchasers ("Renewed Right to Purchase"). The Renewed Right to Purchase shall be governed by the terms of this Agreement. The Renewed Right to Purchase shall expire concurrently with the Repurchase Right Expiration. The Repurchase Right and Renewed

Right to Purchase shall terminate prior to the Repurchase Right Expiration as to any portion of the University Property for which Owner declines to exercise such rights. Owner agrees to deliver to City within ten (10) business days of City's written request, a quitclaim deed releasing the University Property, or a portion thereof, from the provisions of the Repurchase Right and Renewed Right to Purchase upon the expiration or earlier termination of said rights as to all or a portion of the University Property.

2.3.1 Effect of Conveyance on Repurchase Right. At no time shall more than one legal entity possess the Repurchase Right. The Repurchase Right shall terminate as to any portion of the Property conveyed by Owner to a third party which conveyance comprises less than the total Property owned by Owner immediately prior to the conveyance. For example, if Owner conveys to a developer thirty percent (30%) of the Property, the Repurchase Right shall terminate as to the thirty percent (30%) conveyed. Under this example, the Repurchase Right would not terminate as to the remaining seventy percent (70%) of land retained by Owner. If the Owner conveys the entirety of the Property at any one time (a "bulk-sale"), the Repurchase Right shall not terminate and shall continue to run with the land conveyed in the bulk-sale. Using the example above, if Owner subsequently conveyed the remaining seventy percent (70%) of the Property in a bulk-sale to a developer, the Repurchase Right would not terminate as a consequence of such conveyance.

2.3.2 No Vested Development Rights. Owner acknowledges and agrees that neither this Agreement nor the Development Agreement confer vested development rights upon any portion of the University Property acquired by Owner pursuant to the Repurchase Right and Owner shall be subject to applicable City land use regulations with regard to any future applications to develop said property.

2.4. Execution of Offer. If the Owner exercises the Repurchase Right for that portion of the University Property proposed for Non-university Development, Owner agrees to execute the purchase agreement, in substantially the form attached hereto as Exhibit "F" within forty five (45) days after the determination of fair market value pursuant to Paragraph 2.2 (iv).

2.5. Title Insurance. Within twenty (20) days of the Effective Date, Owner shall have obtained, at its expense, title insurance naming the City as the insured and, guaranteeing fee title, subject to any exceptions or conditions approved by the City, for the University Property and Open Space Property from Chicago Title Insurance Company in an amount reasonably agreed upon by the parties representing the estimated fair market value of the properties as of the Effective Date. Owner shall maintain said title insurance for the individual properties in full force and effect until the City has accepted the Irrevocable Offers of Dedications for the University Property and Open Space Property.

2.6. Encumbrances. The Owner or successors-in-interest to Owner, may place liens, encumbrances and other title exceptions on the University Property and Open Space Property up until the time frames set forth herein for the respective properties; provided, however such liens, encumbrances, and other exceptions to title are removed from the title to said properties in

accordance with the terms of this Agreement. Owners shall provide the City with written notice of any liens, encumbrances, or other exceptions placed on the respective properties within thirty (30) days of its placement on said properties. Notwithstanding any provision of this Agreement, Owner agrees that prior to the City's acceptance of the Offers of Dedication for the University Property and Open Space Property, it shall take any and all actions necessary to provide each of the respective properties to the City free and clear of all liens and encumbrances other than: (i) any easements and rights-of-way determined upon final approval of the Entitlements required for development of the Project which do not materially interfere with the intended use of the University Property or Open Space Property for the Permitted Uses; (ii) prorated non-delinquent real estate taxes, special taxes and assessments; and (iii) those exceptions to title that are approved by the City (collectively, (i) through (iii) are referred to as the "Permitted Exceptions"). In addition, Owner shall not pledge the rights to this Agreement as security for any of its other obligations.

2.7 Removal of Encumbrances. No later than five (5) calendar days prior to the first public hearing on the Entitlements, Owner shall remove all liens, encumbrances and any other exceptions, other than the Permitted Exceptions, and any other exception not approved by the City from the title to the University Property and Open Space Property. Owner shall provide the City with an updated Title Report for the University Property and Open Space Property five (5) calendar days prior to the last public hearing for the Entitlements as set forth in this Paragraph. Owner understands and agrees that if Owner fails to remove all liens, encumbrances and those exceptions, other than the Permitted Exceptions, not approved by the City, in the time frames set forth herein, this Agreement and the Processing Agreement shall be terminated and any remaining hearings on the Entitlements shall be cancelled and the application for the Entitlements shall be considered withdrawn by the Owner.

2.8. Hazardous Waste Report Owner shall provide the City within thirty (30) days of the Effective Date of this Agreement with a Phase One Hazardous Waste Report on the University Property and Open Space Property by a professional firm acceptable to the City and again not less than thirty (30) days prior to the first public hearing for the Entitlements with an update of the Phase One Hazardous Waste Report for the respective properties by the same professional firm. Owner shall be responsible for the costs of both reports. Owner understands that the City's acceptance of the Offers of Dedication is conditioned upon the City's approval of said report and that the City has entered into this Agreement contingent on the University Property and Open Space Property being free and clear of any environmental condition which would be a violation of any applicable federal, state or local law, ordinance or regulation relating to Hazardous Materials. Owner further understands and agrees that Owner, in addition to any obligations as the property owner, is fully responsible for the administration and oversight of the environmental condition of the University Property and Open Space Property until the City has accepted the Offer of Dedications for the respective properties. If after the City's review of the updated Phase One Hazardous Waste Report for said properties, the City determines the environmental condition of the University Property or Open Space Property is not acceptable to the City, Owner may, in its discretion, cure said condition within thirty (30) days of City's written notice to Owner that such property is not acceptable. If Owner decides not to cure the condition of the University Property or Open Space Property, this

Agreement and the Processing Agreement shall be terminated and any applications submitted for the Project shall be considered withdrawn by the Owner and any and all hearings for the Entitlements shall be cancelled.

2.9 Transfer of Units. Owner may transfer, at its discretion, up to fifteen percent (15%) of the units allocated to a village within the Project to another village within the same Project. The Planning Director may approve, in his or her discretion, any transfer of units more than fifteen percent (15%) or any transfer of units to another village within Otay Ranch but not within the Project, if all of the following requirements are satisfied:

- (i) the transfer of units between villages is consistent with the GDP's and Village Design policies on density transfers,
- (ii) the total number of units for the Project is not exceeded,
- (iii) public facilities and infrastructure including schools and parks are provided based on the final number of units within each village or Planning Area,
- (iv) the planned identity of the villages are preserved including the creation of pedestrian friendly and transit-oriented development; and
- (v) preserve conveyance obligations will continue to be based on the final map development area.

ARTICLE 3 ACCEPTANCE OF DEDICATION

3.1. Entitlements Processing. Owner will file with City all applications and pay all applicable fees for the review, processing, and consideration of the Entitlements by the City. City will diligently process, in accordance with the schedule set forth in the Processing Agreement, the Entitlements for final consideration by the City Council. Notwithstanding the foregoing, the City's acceptance of the Offer of Dedication is not contingent on the time frames associated with the processing of the Entitlements as set forth in the Processing Agreement, except that final approval of the Entitlements must be received by the Owner within the time frame set forth in Paragraph 3.3 herein. In addition, Owner understands and agrees that the processing and/or approval of final maps, grading permits and other ministerial permits are not subject to this Agreement and the acceptance of the Offer of Dedication to the City shall not be contingent on Owner receiving such ministerial approvals.

3.2. Review Period. Owner shall have thirty (30) days after the final draft for the Entitlements (which include all of the conditions and mitigation measures associated with said documents) ("Final Draft Entitlements") have been completed by the City, to review such documents and decide whether to proceed with processing the Entitlements. During the Owner's thirty-day

review period, City agrees to meet with Owner in good faith to discuss the draft documents and consider any changes Owner may request. Owner shall notify the City in writing, at the conclusion of the thirty-day review period, as to whether Owner wishes to continue processing the Entitlements. Owner may decide to stop processing the Entitlements if Owner determines, in its sole discretion, that it is economically infeasible or undesirable to continue. If City is notified to stop processing Entitlements and the reasons thereof, this Agreement shall terminate, and the application for the Entitlements shall be considered withdrawn by the Owner.

3.3. Approval of Entitlements. If the Entitlements are approved by the City Council in substantially the form of the Final Draft Entitlements on or before twenty four (24) months after Owner has submitted a completed application for the Project to the City, as such time may be extended as provided for in Paragraph 5.9 (Force Majeure), Owner agrees that the City may thereafter accept the Offers of Dedication for the University Property and the Open Space Property after the expiration of all applicable statutes of limitations to challenge the Entitlements and any additional time caused by Third Party Litigation, as described in Paragraph 3.4 herein. In the event of Third Party Litigation, City may accept the Offers of Dedication upon entry of a final, nonappealable judgment affirming the validity of the Entitlements or other resolution mutually acceptable to the parties ("Favorable Outcome"). In the event of any outcome to the Third Party Litigation other than a Favorable Outcome, the parties agree to meet and confer regarding corrective action necessary to preserve the Entitlements. In the event Owner or City determines it is not in Owner's or City's interest to proceed with the corrective action necessary to preserve the Entitlements, this Agreement shall terminate and any Entitlements that have been approved by the City shall be considered void ab initio and be of no effect. In the event Owner and City elect to proceed with the corrective action necessary to preserve the Entitlements, the City shall be entitled to accept the Offers of Dedication for the University Property and Open Space Property upon entry of a final, nonappealable judgment affirming the validity of the Entitlements. In the event the City does not approve the Entitlements in substantially the form of the Final Draft Entitlements or in such corrected form as necessary to preserve the Entitlements, on or before twenty four (24) months after Owner has submitted a completed application for the Project to the City, as such time may be extended as provided for in Paragraph 5.9 (Force Majeure), any Entitlements received by Owner shall be considered to have been withdrawn by Owner and City's action on the Entitlements shall be void ab initio and be of no effect.

3.4 Third Party Litigation. In the event of the occurrence of Third Party Litigation, the term of this Agreement shall be extended for the period of the pendency of the Third Party Litigation or until such time as either the City or Owner (irrespective of who is named in the Third Party Litigation) decides it is no longer desirable to defend against the Third Party Litigation, at which time written notice shall be provided to the other party requesting termination of this Agreement. In such event, the Entitlements received by Owner shall be considered withdrawn by Owners and be null and void. The City shall return the Irrevocable Offers of Dedication to the Owner.

3.5 Community Public Facilities Credit. Once the City has accepted the Offer of Dedication to the University Property, Owner's obligations to provide Community Public Facilities

land uses within the Property shall be deemed satisfied. Notwithstanding the foregoing, Owner shall provide (subject to the approval of the Planning Director) two (2) CPF sites within the Project of four (4) acres each.

3.6 Discretion of City. Owner understands and agrees that the City reserves the right to exercise its discretion as to all matters which the City is by law entitled or required to exercise its discretion with respect to the Entitlements, including but not limited to California Environmental Quality Act and other similar laws. In addition the Entitlements shall be subject to and brought to City Council for consideration in accordance with applicable legal requirements, including laws related to notice, public hearings and due process. In addition, nothing herein shall be construed as to restrict the City's ability to exercise its discretion as provided by the City's Growth Management Program or to condition the Project in the manner City determines appropriate in accordance with its general police powers.

3.7 [Intentionally omitted.]

3.8 [Intentionally omitted.]

3.9 Endowment. Upon execution of this Agreement, Owner shall provide the City with one million dollars for City to use in its sole discretion for the planning and recruitment of a university or any other higher educational institution to be located within the Otay Ranch GDP area. Within five (5) days prior to the last public hearing for the Entitlements, Owner shall deliver to Chicago Title Company ("Escrow Agent") an additional one million dollars ("Escrow Amount") for the City to use in its sole discretion for the planning and recruitment of a university or any other higher educational institution to be located within the Otay Ranch GDP area, subject to the terms and conditions of this Paragraph. When all conditions to the City's acceptance of the Offers of Dedication for the University Property and the Open Space Property have been satisfied pursuant to Paragraph 3.3 of this Agreement, Escrow Agent will immediately and automatically release the Escrow Amount to the City. However, if the City does not approve the Entitlements, or if this Agreement terminates for any reason prior to the City's acceptance of the Offers of Dedication for the University Property and the Open Space Property pursuant to Paragraph 3.3 of this Agreement, Escrow Agent will immediately and automatically release the Escrow Amount to the Owner. Escrow Agent will deposit the Escrow Amount in one or more accounts designated by Owner. All interest on the Escrow Amount will be paid to Owner. The parties will deliver such instructions as may be reasonably requested by the Escrow Agent so long as they are consistent with the terms of this Agreement. If the City does not approve the Entitlements pursuant to Paragraph 3.3, or in the event this Agreement terminates in accordance with Paragraph 5.19, City shall reimburse the Owner the amount of one million dollars previously paid to the City upon execution of this Agreement within thirty (30) days and Owner shall not be entitled to any interest on said money. In the event Owner fails to pay one million dollars to the City upon execution of this Agreement, or fails to place another one million dollars in escrow in accordance with the terms and time frame set forth herein, this Agreement and the Processing Agreement shall be terminated and any applications submitted for

the Project shall be considered withdrawn by the Owner and any and all hearings for the Entitlements shall be cancelled.

3.10 University Design. The parties acknowledge and agree that a university will benefit the citizens of the City and the region and could provide a unique opportunity to complement the development of the Property. The City acknowledges that the Owner may participate, by providing input and feedback to the City, in the design of any future university within Otay Ranch including the design of the University Property. City agrees to solicit input from Owner, and the public, meet with Owner to discuss the design of a university, and provide to Owner all non-privileged documents, studies and materials relevant to the design and development of a university. It is the desire of the parties to work cooperatively, as allowed by law, in the design of the university to insure compatibility of land uses, design and architecture with other adjacent properties, including the Project. Notwithstanding the foregoing, nothing contained herein shall be construed as to restrict the City's ability to exercise its legislative authority or its discretion as to all matters which the City is by law entitled or required to exercise its discretion with respect to any future decisions of the City with respect to any matter pertaining to the University Property or design of a university.

ARTICLE 4 GENERAL PROVISIONS

4.1. Infrastructure To Serve University Property. Owner will not be required to fund, and the development of the Property shall not be conditioned upon the funding or construction of public infrastructure required to serve the University Property including, without limitation, streets, sanitary, sewer, storm drain, water, park, open space, landscaping and dry utility facilities unless City provides reasonable assurance of funding or reimbursement in accordance with State Law and/or the City's ordinances.

4.2. University Property Assessments. City agrees not to impose on the University Property any special taxes, assessments, fees, charges or other exactions prior to City acceptance of the Irrevocable Offer of Dedication of the University Property. Owner shall be responsible for paying any taxes, liens and assessments currently being imposed on the University Property and Open Space Property until the City has accepted the Offer of Dedication.

4.3. Term. The term of this Agreement and the rights, duties and obligations of the parties under this Agreement shall expire five (5) years from the Effective Date unless extended due to Third Party Litigation or Force Majeure as herein defined, except for such provisions herein which expressly survive beyond the expiration of this five-year term.

4.4. "As Is" Conveyance. City is relying solely upon its own inspection, investigation, and analysis of the University Property and the Open Space Property in entering into this Agreement. The University Property and Open Space Property will be conveyed to City on an "as is" basis. The parties agree that Owner makes no representations or warranties regarding the

condition of the University Property or Open Space Property, or the fitness of said land for City's intended use or development thereof.

ARTICLE 5 MISCELLANEOUS PROVISIONS

5.1. Entire Agreement. This Agreement, the Processing Agreement and Entitlements set forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to as an Exhibit herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

5.2. Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, then this Agreement shall terminate in its entirety, unless the parties otherwise agree in writing.

5.3. Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

5.4. Paragraph Headings. All Paragraph heading and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

5.5. Singular and Plural. As used herein, the singular of any word includes the plural.

5.6. Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

5.7. Waiver. Failure of a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

5.8. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit for the parties and their successors and assigns. No other person shall have any right of action based upon any provisions of this Agreement.

5.9. Force Majeure. Neither party shall be deemed to be in default where failure or delay

in performance of any of its obligations under this Agreement is caused by earthquakes, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the party's employment force), governmental regulations beyond the City's reasonable control, court actions (such as restraining orders or injunctions), or other causes beyond the party's reasonable control. If any such event shall occur or should delays be caused by Owner failing to submit plans or other documents in a timely manner that causes a delay in the City's processing of the Entitlements, or requests further changes or amendments to the Project or Entitlements, the term of this Agreement and the time for performance shall be extended for the duration of each such event, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years.

5.10. Mutual Covenants. Unless expressly provided otherwise in this Agreement, the covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

5.11. Successors In Interest. Unless expressly provided otherwise in this Agreement, this Agreement shall be binding upon and inure to the benefit of the successors, assigns and interests of the parties as to any or all of the Property until released by the mutual consent of the parties. The burden of the covenants contained in this Agreement benefit and burdens the Property, its successors and assigns and any successor in interest thereto as well as benefit the City. City is deemed the beneficiary of such covenants for and in its own right and for the purposes of protecting the interest of the community and other parties public or private, in whose favor and for whose benefit of such covenants running with the land have been provided without regard to whether City has been, remained or are owners of any particular land or interest therein.

5.12. Counterparts. The parties may execute this Agreement in counterparts, which counterparts shall be construed together and have the same affect as if all the parties had executed the same instrument.

5.13. Jurisdiction and Venue. Any action or law or inequity arising under this Agreement or brought by an party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of San Diego, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

5.14. Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings reasonably acceptable to such party and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement, including without

limitation actions necessary to remove this Agreement from the chain of title as to all or a portion of the Property when authorized by this Agreement, provided that neither party will be obligated to modify any rights or accept any additional obligations or liabilities in connection therewith. Following City's acceptance of the Irrevocable Offer of Dedication for the University Property and Open Space Property, upon the request of Owner, City will take actions reasonably necessary to remove this Agreement from the chain of title of that portion of the Property being conveyed to a third party.

5.15. Amendments in Writing/Cooperation. This Agreement may be amended only by written consent of both parties specifically approving the amendment.

5.16. Notices. Any notice called for in this Agreement shall be sent by hand delivery, overnight courier service, or by registered or certified mail as follows:

To City at:	City of Chula Vista 276 Fourth Avenue Chula Vista, CA 91910 Attn: Ann Moore, City Attorney
To Owner at:	Otay Land Company, LLC 1903 Wright Place, Suite 220 Carlsbad, CA 92008 Attn: Mr. Curt R. Noland
With a copy to:	Luce, Forward, Hamilton & Scripps LLP 600 West Broadway, Suite 2600 San Diego, CA 92101 Attn: Jeffrey A. Chine, Esq.

Or such other address as a party may inform the others of from time to time. Any such notices sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received three (3) business days after the same is so addressed and mailed with postage prepaid. Notices delivered by overnight service shall be deemed to have been given upon delivery, charges prepaid to the U.S. Postal Service or private courier. Any notice or other document sent by any other matter shall be effective only upon actual receipt thereof.

5.17. Authority to Execute. Owner and the City each warrants and represents that the person or persons executing this Agreement and Irrevocable Offers of Dedication on their behalf have the authority to execute this Agreement and Irrevocable Offers of Dedication.

5.18. Exhibits and Attachments. All Exhibits referenced within the Agreement are incorporated herein and made a part of this Agreement.

5.19 Termination. In the event this Agreement terminates as provided in Paragraphs 2.6, 2.7, 2.8, 3.2, 3.3, 3.4, and 3.9 herein, the Entitlements shall be withdrawn, the Offers of Dedication shall be null and void, and of no further force and effect (the parties shall promptly take all actions reasonably necessary to promptly remove the document from the chain of title) and the Processing Agreement also shall terminate, Owner agrees to promptly pay any outstanding processing fees due the City in accordance with the Processing Agreement.

5.20 Project as A Private Undertaking. It is specifically understood by City and Owner that (i) the Project is a private development; (ii) City has no interest and/or responsibilities for or duty to the Owner or third parties concerning any improvements to the Property; (iii) Owners shall have the full power and exclusive control of the Property subject to the obligations of Owner set forth in this Agreement, any other agreements with City and applicable law; and (iv) the Project is not a joint venture or partnership between the City and Owner.

5.21 No Attorney fees. No attorneys fees shall be recoverable in connection with this Agreement, except that in any action between the parties arising out of or related to the City's obligation to reimburse Owner funds paid City pursuant to Paragraph 3.9, entitled "Endowment", the prevailing party shall be entitled, in addition to any other relief, to recover its reasonable attorneys' fees and all other costs reasonably incurred.

(NEXT PAGE IS SIGNATURE PAGE)

SIGNATURE PAGE TO
LAND OFFER AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

<p>CITY OF CHULA VISTA, a political subdivision of the State of California</p> <p>Attested</p> <p>By: <u>Donna Norris</u> Its: <u>Interim City Clerk</u></p> <p><u>Donna Norris</u> Donna Norris, Interim City Clerk</p>	<p>OTAY LAND COMPANY, LLC, a Delaware limited liability company</p> <p>By: <u>Paul J. Borden</u> Paul J. Borden, President</p>
<p>APPROVED AS TO FORM</p> <p><u>Ann Y. Moore</u> Ann Y. Moore, City Attorney</p>	<p>EXECUTED BY</p> <p><u>Cheryl Cox</u> Cheryl Cox, Mayor</p>

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego

On April 9, 2008 before me, Karen St. Pierre, Notary Public

personally appeared Paul J. Borden

Name(s) of Signer(s)



Place Notary Seal Above

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN DIEGO)

On April 23, 2008, before me, Donna Norris, Interim City Clerk, personally appeared Cheryl Cox, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity(ies), and that by her signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal



Donna Norris
Donna Norris, CMC
Interim City Clerk
City of Chula Vista

ACKNOWLEDGEMENT

State of California
County of San Diego

On the 23rd day of April, 2008, before me, Sheree Kansas, Deputy City Clerk, personally appeared Donna Norris who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

Sheree Kansas, Deputy City Clerk
City of Chula Vista

(SEAL)

List of Exhibits

Exhibit A..... Property Description for Undeveloped real property within Villages 4, 7, 8, 9 and the EUC

Exhibit B..... Property Description for 50 acres

Exhibit B-1.... Open Space Description for 160 acres

Exhibit C..... Development Agreement Provisions

Exhibit D..... Design Plan

Exhibit E..... Form IOD

Exhibit F.....Purchase Agreement

EXHIBIT "A"

LEGAL DESCRIPTION

THOSE PORTIONS OF LOTS 16, 17 18, 27 AND 28 OF OTAY RANCHO, IN THE COUNTY OF SAN DIEGO STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF, NO. 862 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY; FEBRUARY 7, 1900 AND AS SHOWN ON RECORD OF SURVEY 16504 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, MARCH 9, 2000, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

OTAY LAND COMPANY PARCEL "B"

LOTS 27 AND 28 OF OTAY RANCHO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900.

EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT THE CORNER WHICH IS COMMON TO LOTS 23, 24, 27, AND 28 OF SAID OTAY RANCHO; THENCE SOUTH 71°16'00" WEST (RECORD: SOUTH 72°13'00" WEST), A DISTANCE OF 544.20 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 17°31'00" WEST (RECORD: NORTH 16°34'00" WEST), A DISTANCE OF 97.14 FEET; THENCE NORTH 61°08'00" WEST, A DISTANCE OF 1,225.69 FEET; THENCE SOUTH 28°59'39" WEST, A DISTANCE OF 449.11 FEET; THENCE SOUTH 38°46'05" EAST, A DISTANCE OF 980.94 FEET; THENCE 74°04'00" EAST, A DISTANCE OF 810.00 FEET; THENCE NORTH 15°56'00" WEST, A DISTANCE OF 195.88 FEET; THENCE NORTH 17°31'00" WEST, A DISTANCE OF 66.13 FEET, RETURNING TO SAID TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF SAID LOTS 27 AND 28 CONVEYED BY SAN DIEGO LAND COMPANY TO THE SOUTHERN CALIFORNIA MOUNTAIN WATER COMPANY, BY DEED DATED APRIL 11, 1912, AND RECORDED JUNE 24, 1912 IN BOOK 570, PAGE 113 OF DEEDS, RECORDS OF SAN DIEGO COUNTY, THE PARCELS OF LAND SO CONVEYED TO SAID WATER COMPANY BEING THE SOUTH 492.5 FEET OF THE EAST 506 FEET OF LOT 4 OF SAID OTAY RANCHO AND STRIP OF LAND VARYING IN WIDTH FROM 100 FEET TO 50 FEET FOLLOWING THE LINE OF THE RIGHT OF WAY OF THE OTAY-SAN DIEGO PIPE LINE AND THE RIGHT OF WAY OF THE OTAY-CORONADO PIPE LINE, AS DESCRIBED IN SAID DEED AND SHOWN ON THE MAPS WHICH ARE ATTACHED TO AND MADE A PART OF SAID INSTRUMENT, REFERENCE BEING HEREBY MADE TO THE RECORD OF SAID INSTRUMENT FOR A MORE PARTICULAR DESCRIPTION OF SAID PARCELS.

EXHIBIT "A"

LEGAL DESCRIPTION

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED AS PARCEL 3 IN AMENDED COMPLAINT IN CONDEMNATION CIVIL NO. 79-0907-N, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JANUARY 15, 1980 AS DOCUMENT NO. 80-137651.

CONTAINING 278.72 ACRES, MORE OR LESS.

OTAY LAND COMPANY PARCEL "C"

LOTS 16, 17 AND 18 OF OTAY RANCHO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900.

EXCEPTING THEREFROM THAT PORTION OF SAID LOT 17, CONVEYED BY SAN DIEGO LAND COMPANY TO THE SOUTHERN CALIFORNIA MOUNTAIN WATER COMPANY, BY DEED DATED APRIL 11, 1912, AND RECORDED JUNE 24, 1912 IN BOOK 570, PAGE 113 OF DEEDS, RECORDS OF SAN DIEGO COUNTY, THE PARCELS OF LAND SO CONVEYED TO SAID WATER COMPANY BEING THE SOUTH 492.5 FEET OF THE EAST, 506 FEET OF LOT 4 OF SAID OTAY RANCHO AND STRIPS OF LAND VARYING IN WIDTH FROM 100 FEET TO 50 FEET FOLLOWING THE LINE OF THE RIGHT OF WAY OF THE OTAY-SAN DIEGO PIPE LINE AND THE LINE OF THE RIGHT OF WAY OF THE OTAY-CORONADO PIPE LINE, AS DESCRIBED IN SAID DEED AND SHOWN ON THE MAPS WHICH ARE ATTACHED TO AND MADE A PART OF SAID INSTRUMENT, REFERENCE BEING HEREBY MADE TO THE RECORD OF SAID INSTRUMENT FOR A MORE PARTICULAR DESCRIPTION OF SAID PARCELS.

ALSO EXCEPTING THEREFROM THAT PORTION OF LOTS 17 AND 18 CONVEYED TO THE STATE OF CALIFORNIA IN DEED RECORDED SEPTEMBER 1, 2005 AS DOCUMENT NO. 2005-0759298 LYING SOUTHWESTERLY OF THE FOLLOWING DESCRIBED LINE:

EXHIBIT "A"

LEGAL DESCRIPTION

BEGINNING AT A 2" IRON PIPE WITH DISC STAMPED "R.C.E. 22606" PER RECORD OF SURVEY NO. 16504, RECORDED MARCH 9TH, 2000 IN THE OFFICE OF SAID COUNTY RECORDER, SAID PIPE MARKING THE NORTHEAST CORNER OF LOT 2 3 OF SAID OTAY RANCHO, AND BEARING NORTH 71°57'57" EAST 804.798 METERS FROM A 2" IRON PIPE WITH DISC STAMPED "L.S. 5284" MARKING THE SOUTHWEST CORNER OF LOT 10 OF MAP NO. 14432, RECORDED AUGUST 3 0TH, 2 0 02 IN THE OFFICE OF SAID COUNTY RECORDER; THENCE SOUTH 18°40'36" EAST 324.223 METERS TO A POINT HEREIN REFERRED TO AS POINT "A"; THENCE CONTINUING SOUTH 18°40'36" EAST 178.898 METERS TO THE BEGINNING OF A NON-TANGENT 1629.700 METER RADIUS CURVE CONCAVE SOUTHWESTERLY, A RADIAL BEARING TO SAID BEGINNING BEARS NORTH 62°20'18" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°46'15" A DISTANCE OF 107.257 METERS; THENCE NON-TANGENT TO SAID CURVE SOUTH 66°04'27" WEST 2.000 METERS TO THE BEGINNING OF A NON-TANGENT 1627.700 METER RADIUS CURVE CONCAVE SOUTHWESTERLY, A RADIAL BEARING TO SAID BEGINNING BEARS NORTH 66°06'33" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 07°22'45" A DISTANCE OF 209.633 METERS; THENCE NON-TANGENT TO SAID CURVE SOUTH 46°12'45" EAST 7.041 METERS TO THE BEGINNING OF A NON-TANGENT 1631.200 METER RADIUS CURVE CONCAVE SOUTHWESTERLY, A RADIAL BEARING TO SAID BEGINNING BEARS NORTH 73°42'11" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°37'25" A DISTANCE OF 46.228 METERS; THENCE SOUTH 75°19'37" WEST 3.500 METERS TO THE BEGINNING OF A 1627.700 METER RADIUS CURVE CONCAVE SOUTHWESTERLY; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°31'29" A DISTANCE OF 128.541 METERS; THENCE NON-TANGENT TO SAID CURVE SOUTH 18°40'36" EAST 87.291 METERS; THENCE SOUTH 08°00'06" EAST 19.092 METERS; THENCE SOUTH 11°41'19" EAST 24.481 METERS; THENCE SOUTH 16°27'43" EAST 24.874 METERS; THENCE SOUTH 20°32'09" EAST 26.118 METERS; THENCE SOUTH 20°53'50" EAST 30.314 METERS; THENCE SOUTH 04°19'10" WEST 29.530 METERS; THENCE SOUTH 06°03'38"

EXHIBIT "A"

LEGAL DESCRIPTION


WEST 77.800 METERS; THENCE SOUTH 05°49'22" WEST 22.546 METERS; THENCE NORTH 79°53'42" EAST 32.402 METERS; THENCE SOUTH 01°31'37" WEST 25.439 METERS; THENCE SOUTH 06°34'53" WEST 11.008 METERS; THENCE SOUTH 45°00'54" WEST 30.733 METERS; THENCE SOUTH 01 24'21" WEST 77.485 METERS; THENCE SOUTH 11 22'20" WEST 30.117 METERS; THENCE SOUTH 13°45'02" WEST 28.527 METERS; THENCE SOUTH 31°10'10" WEST 28.222 METERS; THENCE SOUTH 16 38'48" WEST 22.806 METERS; THENCE SOUTH 08 41'59" WEST 25.640 METERS; THENCE SOUTH 17°28'45" WEST 27.925 METERS; THENCE SOUTH 25° 54'42" WEST 26.053 METERS; THENCE SOUTH 01°51'20" WEST 90.226 METERS; THENCE SOUTH 12°17'55" EAST 34.960 METERS; THENCE SOUTH 03°15'57" WEST 31.934 METERS TO THE BEGINNING OF A NON-TANGENT 63.657 METER RADIUS CURVE CONCAVE NORTHWESTERLY, A RADIAL BEARING TO SAID BEGINNING BEARS SOUTH 77°41'34" EAST; THENCE SOUTHWESTERLY AND WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 76°00'21" A DISTANCE OF 84.444 METERS; THENCE NON-TANGENT TO SAID CURVE SOUTH 16°12'00" WEST 157.318 METERS TO THE BEGINNING OF A 1561.900 METER RADIUS CURVE CONCAVE EASTERLY; THENCE ALONG THE ARC OF SAID CURVE SOUTHERLY 634.612 METERS THROUGH A CENTRAL ANGLE OF 23°16'47" TO A POINT ON THE SOUTH LINE OF LOT 25 OF SAID OTAY RANCHO, SAID POINT BEING THE POINT OF TERMINUS AND BEARING NORTH 71°22'55" EAST 2555.510 METERS FROM A 2" IRON PIPE WITH DISC STAMPED "R.C.E. 22606" PER SAID RECORD OF SURVEY, SAID PIPE MARKING THE SOUTHWEST CORNER OF LOT 3 6 OF SAID OTAY RANCHO.

ALSO EXCEPTING THEREFROM THAT PORTION OF LOT 16 CONVEYED TO THE COUNTY OF SAN DIEGO IN DOCUMENT RECORDED FEBRUARY 28, 2006 AS DOCUMENT NO. 2006-0139662.

CONTAINING 373.00 ACRES, MORE OR LESS.

DESCRIBED PARCELS CONTAINING A TOTAL OF 651.72 ACRES MORE OR LESS, AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

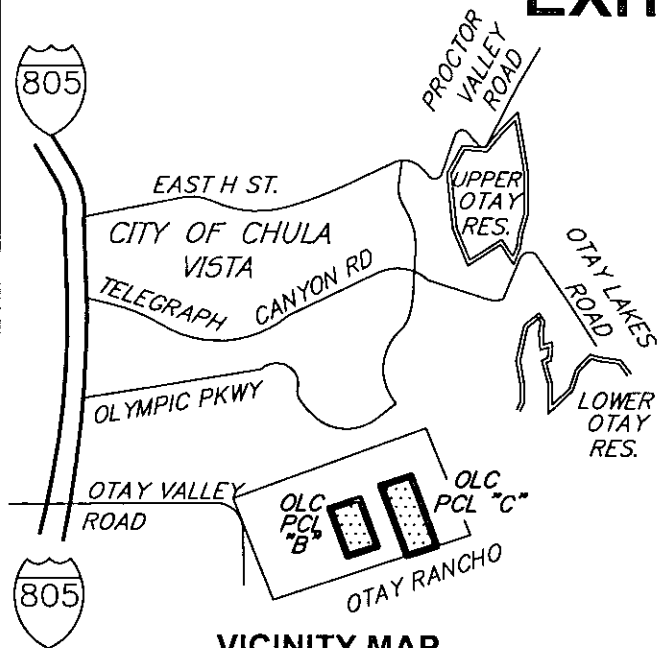
PREPARED UNDER THE DIRECTION OF:


JOHN L. KOEPKE, L.S. 7841
LICENSE EXPIRES 12/31/2008

4/10/08
DATE



EXHIBIT "A"



VICINITY MAP

NOT TO SCALE

DESCRIPTION EXCEPTIONS

OLC PARCEL "B" ITEMS:

- 1 SAN DIEGO-OTAY PIPELINE RIGHT OF WAY, AS SHOWN IN DEED BOOK 937, PAGE 463, RECORDED 7/14/1923 & DEED BOOK 598, PAGE 54, RECORDED 12/20/1912.
- 2 SOUTH SAN DIEGO RESERVOIR, PORTION OF LOT 28 & 27 GRANTED TO THE CITY OF SAN DIEGO IN DEED RECORDED 8/22/1972 UNDER FILE/PAGE NO. 2222672, OFFICIAL RECORDS.
- 3 SAN DIEGO-CORONADO PIPELINE RIGHT OF WAY, AS SHOWN IN DEED BOOK 570, PAGE 113, RECORDED 6/24/1912.
- 4 PARCEL 3 IN AMENDED COMPLAINT IN CONDEMNATION CIVIL NO. 79-0907-N, RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JANUARY 15, 1980 AS DOCUMENT NO. 80-137651

OLC PARCEL "C" ITEMS

- 5 PORTION OF LOT 17, CONVEYED TO THE SOUTHERN CALIFORNIA MOUNTAIN WATER COMPANY, BY DEED DATED APRIL 11, 1912, AND RECORDED JUNE 24, 1912 IN BOOK 570, PAGE 113 OF DEEDS, OFFICIAL RECORDS.
- 6 PARCEL 32018-1, A PORTION OF LOTS 17 & 18 OF OTAY RANCHO IN THE CITY OF CHULA VISTA, COUNTY OF SAN DIEGO, GRANTED TO THE STATE OF CALIFORNIA IN DEED RECORDED 9/1/2005 UNDER DOC. NO. 2005-0759298.
- 7 PORTION OF LOT 16 CONVEYED TO THE COUNTY OF SAN DIEGO IN DEED RECORDED 2/28/2006 AS DOC. NO. 2006-0139662.

PREPARED BY:

John L. Koepke 4/10/08
 JOHN L. KOEPKE, L.S. 7841 DATE
 LIC. EXP. DATE: 12/31/2008



LEGEND



SUBJECT PROPERTY

OLC

OTAY LAND COMPANY
DESIGNATED

NOTES

1. ALL BEARINGS SHOWN ARE PER R.O.S. 16504, RECORDED 3/9/2000, AS FILE NO. 2000-120683, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA.

AREA TOTALS

OLC PARCEL "B"	TOTAL FEE AREA = 278.72 ACRES±
OLC PARCEL "C"	TOTAL FEE AREA = 373.00 ACRES±
TOTAL	651.72 ACRES±



Stantec

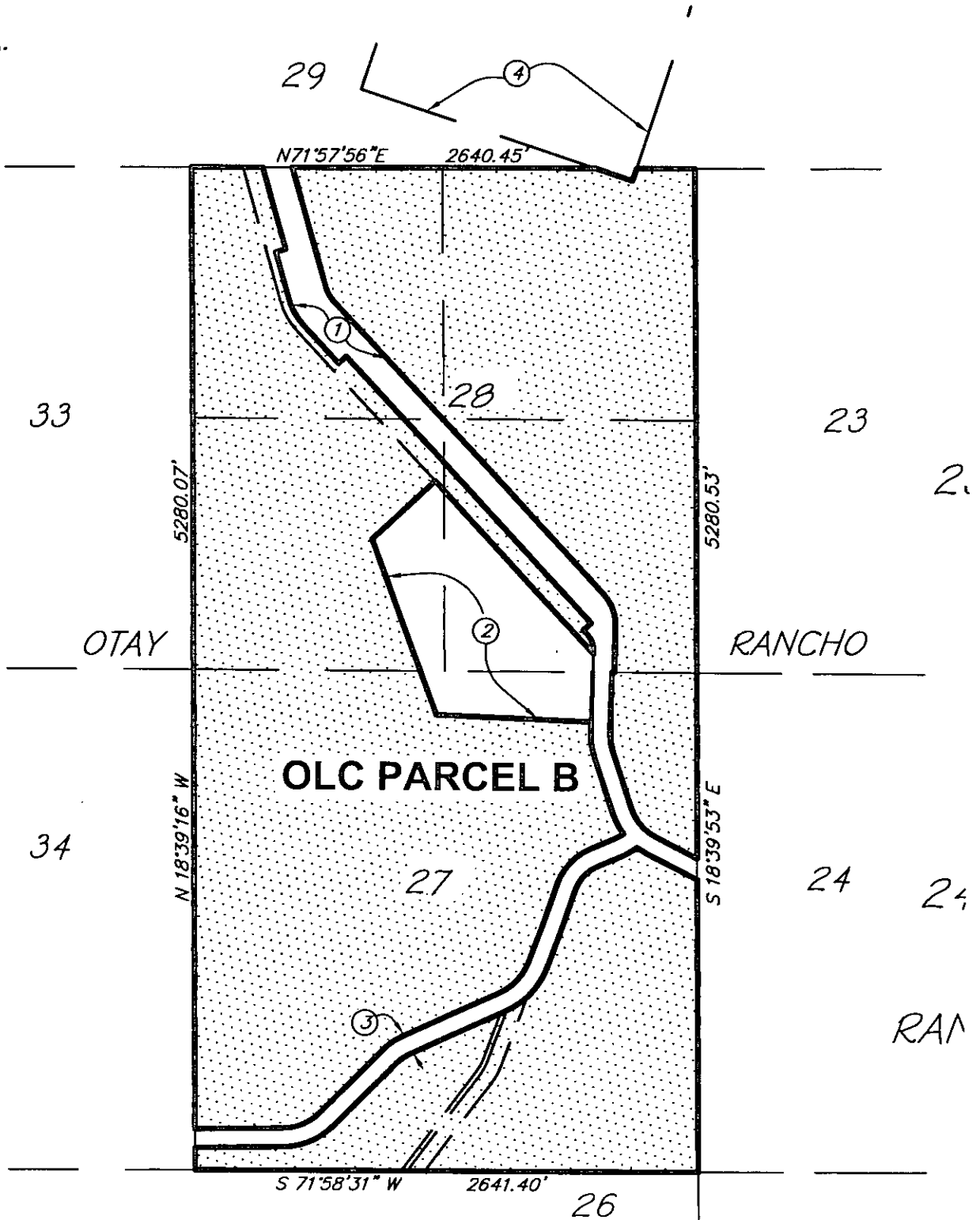
STANTEC CONSULTING INC.
 277 RANCHEROS DRIVE
 SUITE 300
 SAN MARCOS, CA 92069
 760.891.3200

stantec.com

OWNERSHIP EXHIBIT
 OTAY RANCH, LLC
 COUNTY OF SAN DIEGO

DATE: 04/10/2008
 DWG: 163V-EXOT1-1
 JOB #: 160163.00
 DRAWN BY: DSB
 SHEET: 1 OF 3

EXHIBIT "A"



O:\160136.00\DWG\163V-EXOT1-1.DWG



Stantec

STANTEC CONSULTING INC.
 277 RANCHEROS DRIVE
 SUITE 300
 SAN MARCOS, CA 92069
 760.891.3200

stantec.com

OWNERSHIP EXHIBIT
LOTS 27 & 28, RANCHO OTAY
COUNTY OF SAN DIEGO

DATE: 04/10/2008
DWG: 163V-EXOT1-1
JOB #: 160163.00
DRAWN BY: DSB
SHEET: 2 OF 3

EXHIBIT "A"

N71°57'57"E 2640.38'



23

18

13

⑥

8171.42'

OLC PARCEL "C"

8144.40'

24

17

14

RANCHO

OTAY

⑤

R.O.S.

16504

N18°40'36"W

S18°41'17"E

25

15

⑦ 16

N71°22'55"E 2641.80'



Stantec

STANTEC CONSULTING INC.
277 RANCHEROS DRIVE
SUITE 300
SAN MARCOS, CA 92069
760.891.3200

stantec.com

OWNERSHIP EXHIBIT
LOTS 16, 17, 18, RANCHO OTAY
COUNTY OF SAN DIEGO

DATE: 04/10/2008
DWG: 163V-EXOT1-1
JOB #: 160163.00
DRAWN BY: DSB
SHEET: 3 OF 3

Q:\160136.00\DWG\163V-EXOT1-1.DWG

EXHIBIT "B"

LEGAL DESCRIPTION

UNIVERSITY SITE

THAT PORTION OF LOT 18 OF OTAY RANCHO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900, AND AS SHOWN ON RECORD OF SURVEY NO. 16504 AS RECORDED IN SAID COUNTY, CONTAINING 50 ACRES, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST NORTHERLY CORNER OF SAID LOT 18 OF OTAY RANCHO,

THENCE ALONG THE EASTERLY LINE OF SAID LOT 18 AND THE EASTERLY LINE OF LOT 17 OF SAID OTAY RANCHO SOUTH $18^{\circ}41'16''$ EAST, A DISTANCE OF 129.28 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, SOUTH $18^{\circ}41'16''$ EAST, A DISTANCE OF 3952.36 FEET;

THENCE LEAVING SAID LINE SOUTH $72^{\circ}22'53''$ WEST, A DISTANCE OF 291.33 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 2063.95 FEET SOUTH $18^{\circ}41'16''$ EAST, A DISTANCE OF 3952.36 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 208.02 FEET THROUGH A CENTRAL ANGLE OF $5^{\circ}46'29''$;

THENCE NORTH $68^{\circ}32'44''$ WEST, A DISTANCE OF 13.57 FEET;

THENCE NORTH $24^{\circ}54'50''$ WEST, A DISTANCE OF 41.94 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 568.49 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 64.89 FEET THROUGH A CENTRAL ANGLE OF $6^{\circ}32'24''$;

THENCE NORTH $18^{\circ}22'26''$ WEST, A DISTANCE OF 2661.09 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 331.49 FEET;

THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 137.85 FEET THROUGH A CENTRAL ANGLE OF $23^{\circ}49'36''$;;

THENCE NORTH $42^{\circ}12'02''$ WEST, A DISTANCE OF 875.51 FEET;

THENCE NORTH $08^{\circ}27'06''$ EAST, A DISTANCE OF 29.29 FEET;

THENCE NORTH $54^{\circ}25'57''$ EAST, A DISTANCE OF 149.29 FEET;

THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 1435.96 FEET ;

EXHIBIT "B"
LEGAL DESCRIPTION
UNIVERSITY SITE

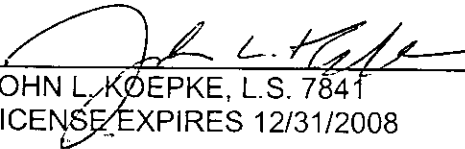
THENCE ALONG THE ARC OF SAID CURVE, AN ARC DISTANCE OF 37.92 FEET THROUGH A CENTRAL ANGLE OF 1°30'47" ;

THENCE NORTH 55°56'44" EAST, A DISTANCE OF 682.53 FEET;

THENCE SOUTH 73°20'04" EAST, A DISTANCE OF 35.34 FEET TO THE TRUE POINT OF BEGINNING;

DESCRIBED PARCEL CONTAINING : 50.00 ACRES AND AS SHOWN ON ATTACHED EXHIBIT "B".

PREPARED BY:

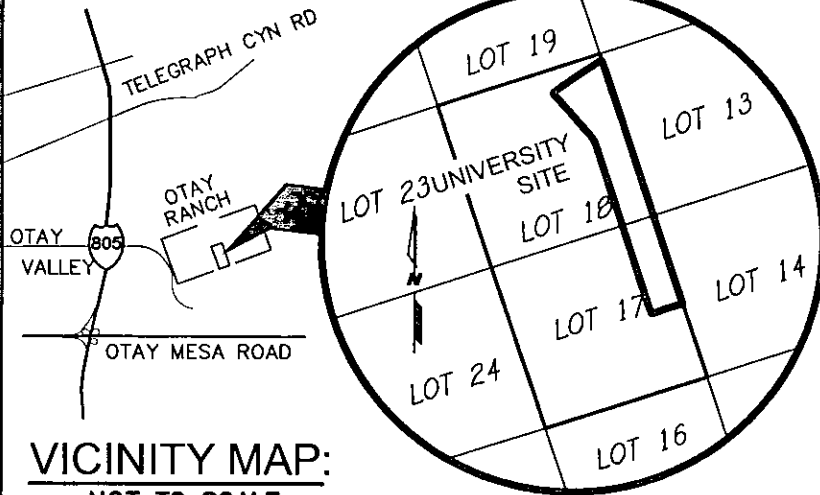


JOHN L. KOEPKE, L.S. 7841
LICENSE EXPIRES 12/31/2008

7/10/08
DATE



EXHIBIT "B"



VICINITY MAP:
NOT TO SCALE

LEGEND:

() INDICATES RECORD DATA PER ROS 16504
P.O.C. INDICATES POINT OF COMMENCEMENT
T.P.O.B. INDICATES TRUE POINT OF BEGINNING.
TOTAL AREA OF UNIVERSITY SITE PARCEL = 50.00 ACRES

— — — — — INDICATES EASEMENT LINE.
————— INDICATES PARCEL LINE.

NOTES:

- 1) ALL DIMENSIONS SHOWN HEREON ARE COMPILED FROM RECORD DATA.
- 2) EXISTING PROPERTY AREAS SHOWN HEREON ARE CALCULATED FROM RECORD DATA

EASEMENT NOTES:

- ②0 AN EASEMENT TO THE CITY OF CHULA VISTA FOR SLOPE AND DRAINAGE PURPOSES, RECORDED DECEMBER 28, 2005 AS DOCUMENT NO. 2005-1108994.
- ②1 AN EASEMENT FOR GENERAL UTILITY AND ACCESS PURPOSES TO THE CITY OF CHULA VISTA, RECORDED DECEMBER 28, 2005 AS DOCUMENT NO. 2005-1108995.
- ②2 AN EASEMENT FOR STORM DRAIN PURPOSES TO THE CITY OF CHULA VISTA, RECORDED DECEMBER 28, 2005 AS DOCUMENT NO. 2005-1108996.



JOHN L. KOEPKE L.S. 7841
LIC. EXP. DATE: 12/31/2008

DATE

4/10/08



Stantec

STANTEC CONSULTING INC.
277 RANCHEROS DRIVE
SUITE 300
SAN MARCOS, CA 92069
760.891.3200

stantec.com

UNIVERSITY SITE, OTAY RANCHO
CITY OF CHULA VISTA
COUNTY OF SAN DIEGO

DATE: 04/10/2008
DWG: 163V-EXOT3-1
JOB #: 160163.00
DRAWN BY: BM
SHEET: 1 OF 3

EXHIBIT "B"

LOT 19

P.O.C.
MOST NORTHERLY
CORNER LOT 18

T.P.O.B.

SEE DETAIL 'A'
SHEET 3

N55°56'44"E
682.53'

N42°20'2"W
875.53'

EASTERLY LINE LOT 18

3952.36'
N18°41'16"W 4081.64'

UNIVERSITY SITE
50.00 ACRES

N18°22'26"W 2661.09'

EASTERLY LINE LOT 17

LOT 18
OTAY RANCHO

LOT 17
OTAY RANCHO

LOT 23

LOT 13

LOT 24

LOT 14

R.O.S.

16504

LINE TABLE		
NO.	BEARING	DIST.
L1	N72°22'53"E	291.33'
L2	N68°32'44"W	13.57'
L3	N24°54'50"W	41.94'
L4	N08°27'06"E	29.29'
L5	N54°25'57"E	149.29'
L6	N73°20'04"W	35.34'

CURVE TABLE			
NO.	DELTA	RADIUS	LENGTH
C1	5°46'29"	2063.95'	208.02'
C2	6°32'24"	568.49'	64.89'
C3	23°49'36"	331.49'	137.85'
C4	1°30'47"	1435.96'	37.92'

SCALE: 1" = 600'



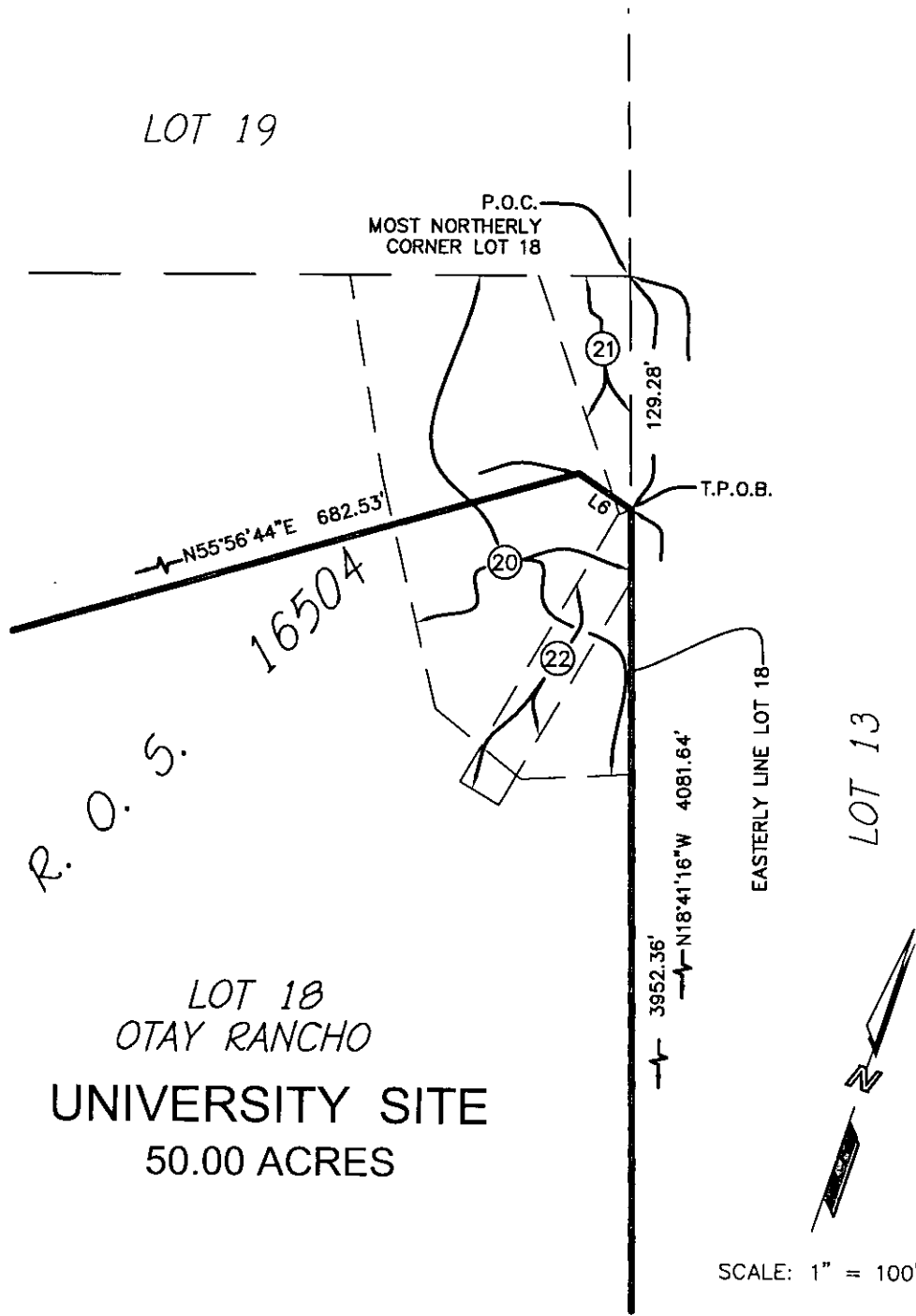
STANTEC CONSULTING INC.
277 RANCHEROS DRIVE
SUITE 300
SAN MARCOS, CA 92069
760.891.3200

stantec.com

UNIVERSITY SITE, OTAY RANCHO
CITY OF CHULA VISTA
COUNTY OF SAN DIEGO

DATE: 04/10/2008
DWG: 163V-EX013-1
JOB #: 160163.00
DRAWN BY: BM
SHEET: 2 OF 3

EXHIBIT "B"



DETAIL 'A'

LINE TABLE		
NO.	BEARING	DIST.
L6	N73°20'04\"W	35.34'



STANTEC CONSULTING INC.
 277 RANCHEROS DRIVE
 SUITE 300
 SAN MARCOS, CA 92069
 760.891.3200

stantec.com

UNIVERSITY SITE, OTAY RANCHO
 CITY OF CHULA VISTA
 COUNTY OF SAN DIEGO

DATE: 04/10/2008
 DWG: 163V-EX0T3-1
 JOB #: 160163.00
 DRAWN BY: BM
 SHEET: 3 OF 3

EXHIBIT "B-1"

LEGAL DESCRIPTION

THOSE PORTIONS OF SECTIONS 29 AND 30, TOWNSHIP 17 SOUTH, RANGE 1 EAST, S.B.M., ALL IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 30;

TOGETHER WITH

THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 30;

AND TOGETHER WITH

THE WESTERLY 598.81 FEET AS MEASURED PARALLEL WITH THE SOUTH LINE OF SAID SECTION 29 OF THE SOUTHWEST QUARTER OF SAID SECTION 29.


AND TOGETHER WITH

LOTS 16 OF OTAY RANCHO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, FEBRUARY 7, 1900,

EXCEPTING THEREFROM THAT PORTION OF LOT 16 CONVEYED TO THE COUNTY OF SAN DIEGO IN DOCUMENT RECORDED FEBRUARY 28, 2006 AS DOCUMENT NO. 2006-0139662.

ALL CONTAINING 160.00 ACRES, AS SHOWN ON EXHIBIT "B-1", ATTACHED HERETO AND MADE A PART HEREOF.

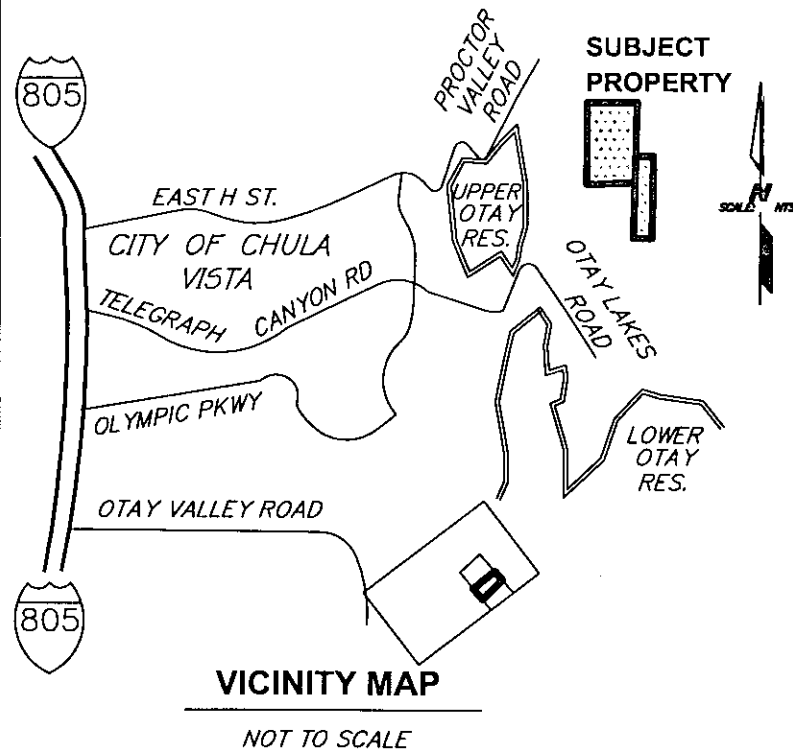
PREPARED UNDER THE DIRECTION OF:

 4/10/08

JOHN L. KOEPKE, L.S. 7841 DATE
LICENSE EXPIRES 12/31/2008



EXHIBIT "B-1"



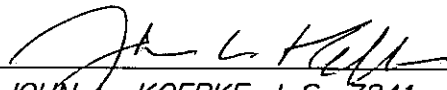
LEGEND

 SUBJECT PROPERTY, CONTAINING 160.00 AC.±

NOTES

1. ALL DISTANCES SHOWN HEREON ARE GROUND DISTANCES. THE SCALE FACTOR IS 0.999999861 AND IS BASED ON THE P.O.B. SHOWN.
2. ALL BEARINGS SHOWN ARE PER R.O.S. 16315, RECORDED 8/27/1999, AS FILE NO. 1999-594396 IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA.

PREPARED BY:

 4/10/08
JOHN L. KOEPKE, L.S. 7841 DATE
LIC. EXP. DATE: 12/31/2008



STANTEC CONSULTING INC.
277 RANCHEROS DRIVE
SUITE 300
SAN MARCOS, CA 92069
760.891.3200
stantec.com

PORTIONS OF SEC. 29 & 30,
TWP. 17S, R. 1E, S.B.M.
COUNTY OF SAN DIEGO

DATE: 04/10/2008
DWG: 163V-EXOT2-1
JOB #: 160163.00
DRAWN BY: DSB
SHEET: 1 OF 3

30	29
----	----



30

P.O.B.

R.O.S.

6

7

RANCHO JANAL

FRAC.
SEC. 31

N89°39'12"E

32



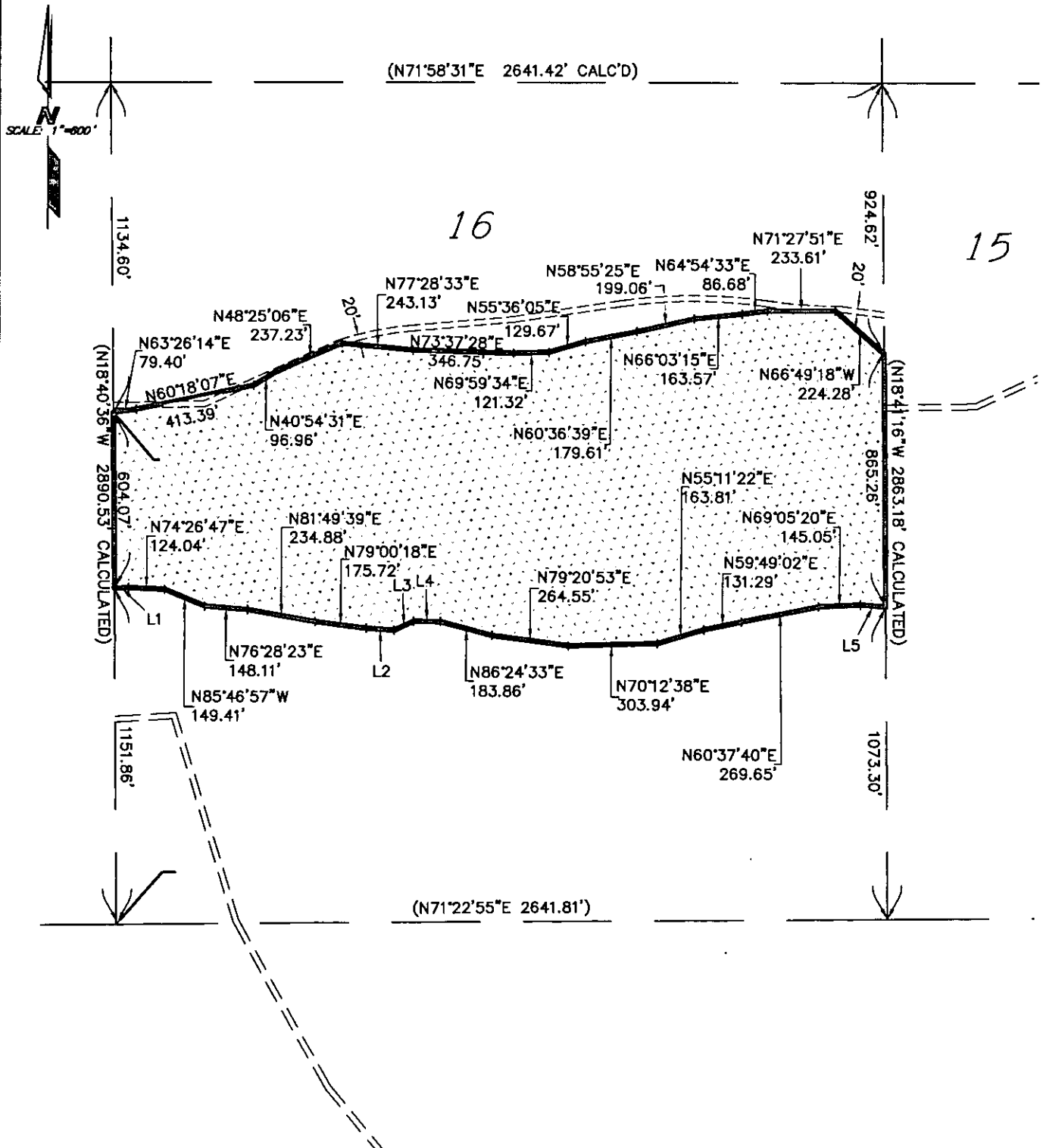
STANTEC CONSULTING INC.
277 RANCHEROS DRIVE
SUITE 300
SAN MARCOS, CA 92069
760.891.3200

stantec.com

**PORTIONS OF SEC. 29 & 30,
TWP 17S, R. 1E, S.B.M.
COUNTY OF SAN DIEGO**

DATE: 04/10/2008
DWG: 163V-EXOT2-1
JOB #: 160163.00
DRAWN BY: DSB
SHEET: 2 OF 3

EXHIBIT "B-1"



Stantec

STANTEC CONSULTING INC.
277 RANCHEROS DRIVE
SUITE 300
SAN MARCOS, CA 92069
760.891.3200

stantec.com

PORTION OF LOT 16,
RANCHO OTAY
COUNTY OF SAN DIEGO

DATE: 04/10/2008
DWG: 163V-EXOT2-1
JOB #: 160163.00
DRAWN BY: DSB
SHEET: 3 OF 3

EXHIBIT C

DEVELOPMENT AGREEMENT PROVISIONS

1. Term. The following language shall be added to the end of the last sentence of the first full paragraph of Section 3 of the existing Development Agreement:

“from _____, 20____, the date upon which the City may accept the Offers of Dedication in Sections 3.3 of that certain “Land Offer Agreement” by and between the City and Otay Land Company, LLC, a Delaware limited liability company, approved by the City Council on _____, 2008.”

2. Tentative Map/Permit Duration. Section 6.2 of the existing Development Agreement, entitled “Length of Validity of Tentative Subdivision Maps,” is hereby deleted in its entirety and replaced with the following:

“6.2 Tentative Map/Permit Duration. Pursuant to California Government Code section 66452.6, any tentative subdivision map, parcel map or other map authorized by the State Subdivision Map Act that is approved for the Project shall remain valid for a period of time equal to a term of this Agreement. In addition, notwithstanding any condition or provision to the contrary, every permit and approval for the Project other than ministerial approvals shall remain valid for a period of time equal to the term of this Agreement.”

3. Growth Management. The second full paragraph of Section 5.2 appearing at page 8 of the existing Development Agreement, entitled “Development of Property,” which begins “Notwithstanding the foregoing,” shall be deleted in its entirety and replaced with the following:

“Notwithstanding any provision of this Agreement to the contrary, the City’s Growth Management program, as set forth in the Growth Management Element of the City’s General Plan, applicable to the Project shall be those in effect on the date the City approves the Land Offer Agreement referenced in Section 3 hereof.”

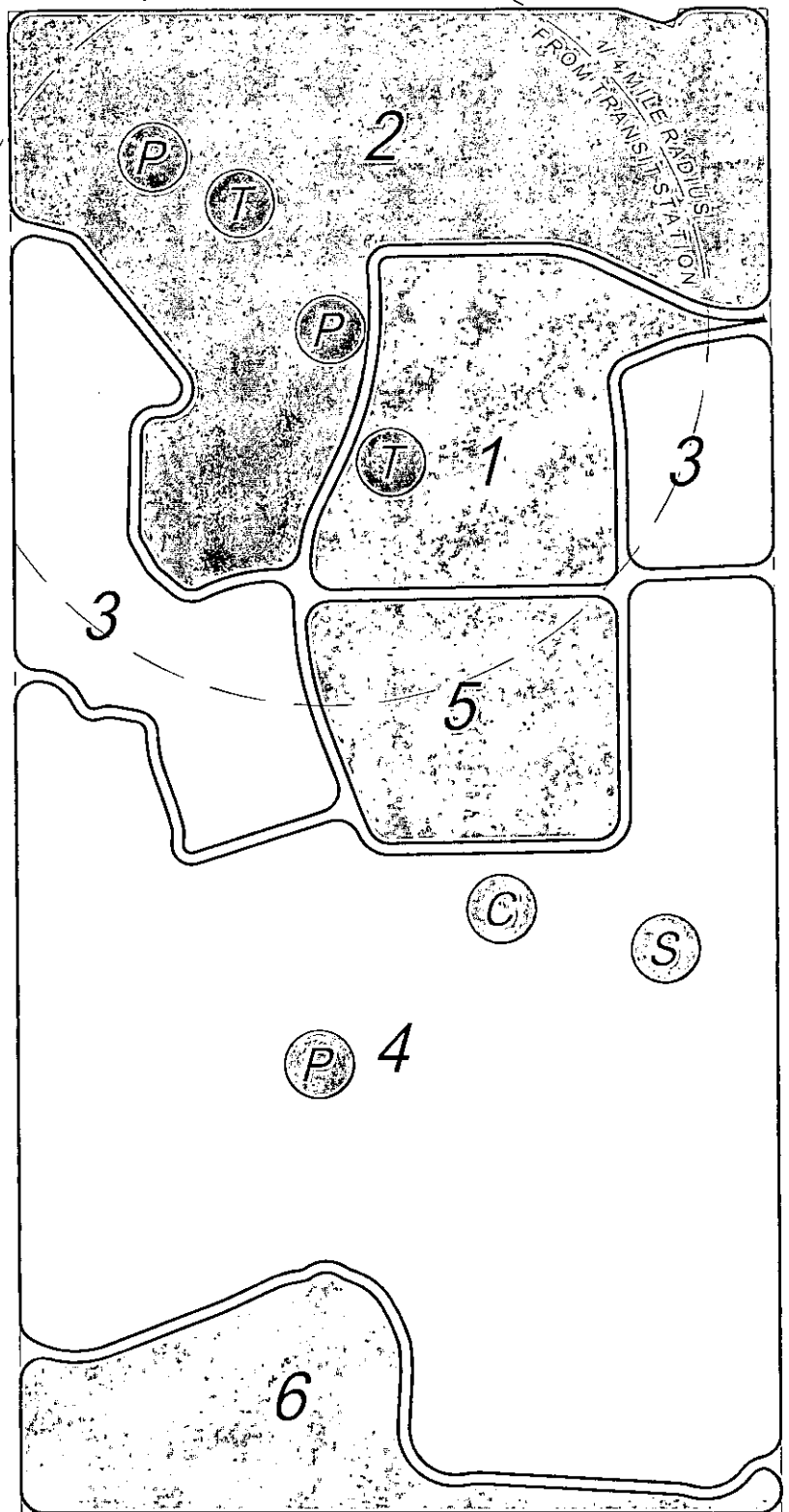
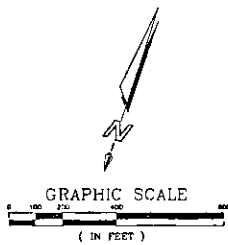
4. Modifications to Existing Project Approvals. The following sentence shall be added to the end of Section 5.2.3 of the existing Development Agreement:

“The parties agree that they accept the modifications to the Existing Project Approvals approved by the City Council on _____, 20____.”

5. Reimbursement. At the end of the first sentence of Section 7.5 of the existing Development Agreement, entitled “Facilities Which are the Obligations of Another Party, or are of Excessive Size, Capacity, Length or Number,” a new sentence shall be inserted as follows:

“City shall not require such monies or improvements unless City provides reasonable assurance of funding or reimbursement in accordance with State law and/or the City’s ordinances.”

EXHIBIT "D"
OTAY LAND COMPANY
PARCEL "B"
LAND USE PLAN



PARCEL B

AREA	LAND USE/DISTRICT	GROSS ACRES	DU	GROSS DU/AC
1	TC	27.78	306	11.0
2	MU/TO	71.91	487	6.8
3	M	37.61	380	10.1
4	LM	135.96	627	4.6
5	RESERVOIR	21.26	0	0.0
6	OS	25.40	0	0.0
TOTALS		319.92	1800	

- (P) PARK
- (S) SCHOOL
- (C) COMMUNITY USE
- (T) TRANSIT STOP

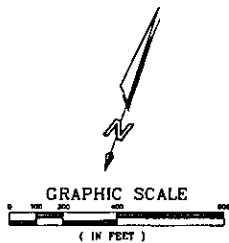


Stantec

DATE: 04/07/08

277 Rancheros Dr., Suite 300
San Marcos, CA 92069
P: (760) 891-3200
F: (760) 891-3201
www.stantec.com

EXHIBIT "D"
OTAY LAND COMPANY
PARCEL "C"
LAND USE PLAN



SR-125

1/4 MILE RADIUS
FROM TRANSIT STATION

PARCEL C				
AREA	LAND USE/DISTRICT	GROSS ACRES	DU	GROSS DU/AC
1	EUC	59.30	1375	23.2
2	TC	94.82	1874	19.8
3	MH	31.13	449	14.4
4	M	24.42	269	11.0
5	LM	52.21	283	5.4
6	UNIV	54.70 (1)	0	0.0
TOTALS		316.58	4250	

- (P) PARK
- (S) SCHOOL
- (C) COMMUNITY USE
- (T) TRANSIT STOP



Stanlec

277 Rancheros Dr., Suite 300
San Marcos, CA 92069
P: (760) 891-3200
F: (760) 891-3201
www.stanlec.com

DATE: 04/07/08

(1) 50 NET ACRES (EXCLUDING ADJACENT STREET RIGHTS-OF-WAY)

EXHIBIT E

*Recording Requested by
and Please Return to:*

City Clerk
City of Chula Vista
P.O. Box 1087
Chub Vista, California 91912

*This Instrument Benefits City Only
No Fee Required*

This Space for Recorder's Use Only

APN(s) _____

C.V. File No. _____

IRREVOCABLE OFFER

OF DEDICATION OF FEE INTEREST

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, THE OTAY LAND COMPANY LLC, a Delaware limited liability company ("Owner"), represent that, as the owner of the herein-described real property, hereby makes an Irrevocable Offer of Dedication of fee interest to THE CITY OF CHULA VISTA, A MUNICIPAL CORPORATION ("City"), the hereinafter described real property for the following public purpose:

FOR HIGHER EDUCATION AND RELATED COMPATIBLE
USES, ACTIVE PUBLIC RECREATION, QUASI PUBLIC AND
ALL OTHER USES INCLUDING RESIDENTIAL USES,
INDUSTRIAL AND COMMERCIAL.

The property referred to above is situated in the City of Chula Vista, County of San Diego, State of California and is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference the ("Property").

This Offer of Dedication is made pursuant to Section 7050 of the Government Code of the State of California and the terms and conditions of that certain Land Offer Agreement by and between Owner and City dated April 7, 2008, which Land Offer Agreement is incorporated herein by reference.

This Offer of Dedication may be accepted by the City Clerk of the City of Chula Vista only in accordance with the Land Offer Agreement.

This Offer of Dedication of fee interest shall be irrevocable and shall be binding on the Owner, its heirs, executors, administrators, successors and assigns.

EXHIBIT E

Pursuant to Article 2 of the Land Offer Agreement, following the City's acceptance of this Offer of Dedication, Owner shall retain certain rights to repurchase all or a portion of the Property ("Repurchase Rights") for the term specified in Section 2.1 of the Land Offer Agreement. It is the intention of the parties that the Repurchase Rights shall be covenants running with the land pursuant to applicable law, including, but not limited to Section 1468 of the Civil Code of the State of California. The City and Owner agree that each of the limitations, covenants, conditions, and restrictions contained herein, and as incorporated by reference from the Land Offer Agreement (i) is for the benefit of certain real property described on Exhibit "B" attached hereto and incorporated herein (the "Benefited Property") and is a burden upon the Property, (ii) attaches to and runs with the Property and the Benefited Property, (iii) benefits each successor owner during its ownership of the Benefited Property or any portion thereof, and (iv) is binding upon each successor owner during its ownership of the Property or any portion thereof, and each owner having any interest therein derived in any manner through any owner of the Property or any portion thereof, whether by operation of law or any manner whatsoever. Notwithstanding the foregoing, Owner may elect from time to time, in accordance with the terms of the Land Offer Agreement, by a duly recorded document to remove any portion of the Benefited Property from the benefit of the covenants set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

EXHIBIT E

SIGNATURE PAGE TO IRREVOCABLE OFFER OF DEDICATION OF FEE INTEREST

IN WITNESS WHEREOF, the parties hereto have executed this Irrevocable Offer of Dedication of Fee Interest on the day and year first set forth above.

CITY OF CHULA VISTA, a political
subdivision of the State of California

OTAY LAND COMPANY, LLC,
a Delaware limited liability company

By: _____
Its: _____

By: _____
Curt Noland, Vice President

Donna Norris, Interim City Clerk

APPROVED AS TO FORM

EXECUTED BY

Ann Y. Moore, City Attorney

Cheryl Cox, Mayor

101086936.1

EXHIBIT E

*Recording Requested by
and Please Return to:*

City Clerk
City of Chula Vista
P.O. Box 1087
Chula Vista, California 91912

*This Instrument Benefits City Only
No Fee Required*

This Space for Recorder's Use Only

APN(s) _____

C.V. File No. _____

IRREVOCABLE OFFER

OF DEDICATION OF FEE INTEREST

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, THE OTAY LAND COMPANY LLC, a Delaware limited liability company ("Owner"), represent that, as the owner of the herein-described real property, Owner hereby makes an Irrevocable Offer of Dedication of fee interest to THE CITY OF CHULA VISTA, A MUNICIPAL CORPORATION, the hereinafter described real property for the following public purpose:

OPEN SPACE, MITIGATION, ACTIVE RECREATION AND ANY USES PERMITTED IN ACCORDANCE WITH THE OTAY RANCH GENERAL DEVELOPMENT PLAN

The real property referred to above is situated in the City of Chula Vista, County of San Diego, State of California and is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference ("Property").

This Offer of Dedication is made pursuant to Section 7050 of the Government Code of the State of California and the terms and conditions of that certain Land Offer Agreement dated April 7, 2008, by and between City and Owner ("Land Offer Agreement"). This Offer of Dedication be accepted by the City Clerk of the City of Chula Vista only in accordance with the Land Offer Agreement.

This Offer of Dedication of fee interest shall be irrevocable and shall be binding on the Owner, its heirs, executors, administrators, successors and assigns.

[SIGNATURES ON FOLLOWING PAGE]

EXHIBIT E

SIGNATURE PAGE

Signed this _____ day of _____, 2008.

OTAY LAND COMPANY, LLC,
a Delaware limited liability company

By: _____

By: _____

101087018.1

EXHIBIT F

AGREEMENT OF PURCHASE AND SALE AND ESCROW INSTRUCTIONS

TO: _____

THIS AGREEMENT OF PURCHASE AND SALE AND ESCROW INSTRUCTIONS is made and entered into this _____ day of _____, ____, by and between _____ (hereinafter "SELLER"), and _____ (hereinafter "Buyer").

RECITALS

SELLER is the owner of certain real property located in the County of San Diego, State of California, containing approximately 45 acres, as legally described on Exhibit "1" attached hereto ("Property").

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and promises contained herein, the parties agree as follows:

1. PURCHASE OF PROPERTY

SELLER agrees to sell the Property to Buyer and Buyer agrees to purchase the Property, upon the terms and conditions herein contained.

2. PURCHASE PRICE

The purchase price for the Property to be paid by Buyer SHALL BE _____ Dollars (\$ _____).

3. TERMS OF PAYMENT OF PURCHASE PRICE

The purchase price shall be paid as follows:

4. CONDITIONS PRECEDENT TO CLOSING

EXHIBIT F

5. ESCROW

This Agreement constitutes joint escrow instructions to ____

("Escrow Holder") instructing it to consummate this sale upon the terms and conditions set forth herein. Escrow Holder shall be concerned with the provisions of this paragraph and the paragraphs and subparagraphs below.

(a) Opening. Escrow shall open within three (3) days after execution of this Agreement by the parties.

(b) Deposit. Upon opening escrow, Buyer shall deposit:

(c) Effective Date. The effective date for all time requirements under this Agreement shall be the opening of escrow.

(d) Closing Date. This escrow shall close on or before

_____.

(e) Prorations. All ordinary real property taxes levied or assessed against the Property shall be prorated between Buyer and SELLER on the basis of the latest bills and thirty (30) day month (360 day year) as of the close of escrow.

(f) Payment of Costs. The expenses of escrow described herein shall be paid in the following manner:

1. Seller shall pay the full cost of preparing, executing and acknowledging any deeds or other instruments required to convey title to the Property to Buyer, any tax that may be imposed on the conveyance of title to the Property to Buyer under the Documentary Transfer Tax Act of California, and one-half of the escrow fees.

2. Buyer shall pay the cost of recording the Grant Deed or other instrument executed by SELLER conveying title to the Property to Buyer and one-half of the escrow fees.

(g) Possession. Possession of the Property shall be delivered to Buyer on close of escrow.

EXHIBIT F

6. NOTICES

All notes under this Agreement shall be effective upon personal deliver to SELLER, Buyer, or Escrow Holder, as the case may be, or forth-eight (48) hours after deposit in the United States mail, registered or certified mail, postage fully prepaid, and addressed to the respective parties as follows:

To SELLER:

To BUYER:

To Escrow Holder:

or to such other address as the parties may from time to time designate in writing.

7. ACCESS

Buyer shall be entitled to reasonable access to the Property at any time prior to the close of escrow for the purpose of making such engineering, surveying, soils, geology and environmental studies as Buyer may reasonably deem necessary, all of which will be completed at no expense to SELLER. Buyer agrees to indemnify and hold SELLER and the Property free and harmless from any and all liens, costs, liabilities or expenses incurred in connection with such engineering, surveying, soils, geology and environmental studies.

8. ATTORNEYS' FEES

In any action between Buyer and SELLER seeking enforcement or interpretation of any of the terms or provisions of this Agreement, or in connection with any of the Property described herein, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable cost and expenses, not limited to taxable costs, and reasonable attorneys' fees.

EXHIBIT F

9. ASSIGNMENT

Buyer shall have the right to assign this Agreement and the rights and responsibilities under it with the consent of SELLER, which consent shall not be unreasonably withheld.

10. TIME OF ESSENCE

Time is of the essence in this Agreement.

11. PERFORMANCE OF ACTS

The parties hereto agree to perform such acts and execute such documents as may be required to carry out the terms and purposes of this Agreement.

12. PROPERTY "AS IS"

Buyer is relying solely upon its own inspections, investigations and analyses of the Property in entering into this Agreement and is not relying in any way upon any representations, statements, agreements, warranties, studies, reports, descriptions, guidelines or other information or material furnished by Seller or its representatives, whether oral or written, express or implies of any nature whatsoever regarding any such matters. Buyer acknowledges that it has become familiar with the Property and made such independent investigations and analysis as Buyer deems necessary or appropriate concerning Buyer's proposed use, sale and development of the Property.

13. MISCELLANEOUS

This Agreement shall be construed in accordance with the laws of the State of California. This Agreement may be executed in counterparts. This Agreement shall be binding upon and shall inure to the benefit of all the parties hereto, their beneficiaries, successors and assigns.

Headings at the beginning of each numbered section of the Agreement are solely for the convenience of the parties and are not a part of this Agreement. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

(NEXT PAGE IS SIGNATURE PAGE)

EXHIBIT F

SIGNATURE PAGE TO
AGREEMENT OF PURCHASE AND SALE
AND ESCROW INSTRUCTIONS

IN WITNESS WHEREOF, Buyer and SELLER have executed this Agreement
the day and year first above written.

"BUYER"

By _____

"SELLER"

By _____

Receipt of executed copy of this Agreement is hereby acknowledged
this _____ day of _____

By _____